

**CITY OF LAKIN, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Lakin, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Lakin, Kansas and its related municipal entity, the Lakin Housing Authority (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended December 31, 2014, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, the individual fund schedules of regulatory basis receipts and expenditures, and the schedule of regulatory basis receipts and expenditures for the related municipal entity (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2013 column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) upon which we rendered an unmodified opinion dated April 17, 2014 is also presented for comparative analysis and is not a required part of the 2014 basic financial statement. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

May 11, 2015

# CITY OF LAKIN, KANSAS

## SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2014

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Receipts</u>
General fund	\$ 507,925	\$ -	\$ 1,048,431
Special purpose funds:			
Employee benefits	49,367	-	162,949
Special street and highway	9,800	-	56,836
Special parks and recreation	5,063	-	1,351
Industrial levy	16,558	-	1,004
Non-budgeted special purpose funds:			
Special equipment	17,204	-	-
Capital improvement	64,057	-	80,667
Total special purpose funds	162,049	-	302,807
Business funds:			
Electric utility	945,633	-	2,359,244
Water utility	379,463	-	798,446
Refuse collection	106,517	-	133,886
Sewage disposal	111,352	-	119,478
Non-budgeted business funds:			
Electric customer utility deposits	-	-	-
Electric reserve	1,000,000	-	-
USDA water bond project	-	-	125
USDA water grant	167,916	-	72,644
UIC abandonment reserve	10,000	-	10,000
Refuse collection reserve	72,330	-	-
Sewage disposal pump deposit reserve	24,000	-	-
Sewage disposal debt service	285,032	-	79,223
Total business funds	3,102,243	-	3,573,046
Related municipal entity:			
Lakin Housing Authority:			
O'Loughlin	65,246	-	47,605
Westridge	117,295	-	95,348
Total related municipal entity	182,541	-	142,953
Total municipal financial reporting entity	\$ 3,954,758	\$ -	\$ 5,067,237
Composition of cash balance:			
Cash on hand			
Petty cash account			
General checking account			
Money market account			
Certificates of deposit			
Related municipal entity			
Total municipal financial reporting entity			

The notes to the financial statement are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 889,339</u>	<u>\$ 667,017</u>	<u>\$ 19,114</u>	<u>\$ 686,131</u>
150,777	61,539	-	61,539
57,830	8,806	-	8,806
-	6,414	-	6,414
-	17,562	-	17,562
-	17,204	-	17,204
-	144,724	-	144,724
<u>208,607</u>	<u>256,249</u>	<u>-</u>	<u>256,249</u>
2,028,699	1,276,178	117,398	1,393,576
615,758	562,151	11,427	573,578
150,414	89,989	-	89,989
100,341	130,489	-	130,489
-	-	35,930	35,930
500,985	499,015	-	499,015
-	125	-	125
368,021	(127,461)	204,669	77,208
-	20,000	-	20,000
-	72,330	-	72,330
-	24,000	-	24,000
58,042	306,213	-	306,213
<u>3,822,260</u>	<u>2,853,029</u>	<u>369,424</u>	<u>3,222,453</u>
63,884	48,967	2,972	51,939
<u>96,862</u>	<u>115,781</u>	<u>8,682</u>	<u>124,463</u>
<u>160,746</u>	<u>164,748</u>	<u>11,654</u>	<u>176,402</u>
<u>\$ 5,080,952</u>	<u>\$ 3,941,043</u>	<u>\$ 400,192</u>	<u>\$ 4,341,235</u>
			\$ 100
			3,000
			37,178
			4,114,555
			10,000
			<u>176,402</u>
			<u>\$ 4,341,235</u>

# CITY OF LAKIN, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2014

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules and notes are representations of the City's management, which is responsible for their integrity and objectivity.

#### 1. Municipal Financial Reporting Entity

The City of Lakin is a municipal corporation governed by an elected mayor and an elected five-member council. This financial statement presents the City of Lakin (the municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

**Lakin Housing Authority.** The City of Lakin Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The Lakin Housing Authority governing board is appointed by the City Council. Although the City does not have the authority to approve or modify the Housing Authority's operational and capital budgets, and the Housing Authority has the authority to issue bonded debt, the City is fiscally responsible for the Housing Authority as it was created as an agent of the City.

#### 2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2014.

#### REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business funds – funds financed in whole or in part by fees charged to users for goods or services.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

### 4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the current year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.



## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (Continued)

A legal operating budget is not required for utility reserve funds and the following special purpose funds:

Special equipment  
Capital improvement

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration, and interpretation by legal representatives of the City.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the USDA water grant fund had an unencumbered cash deficit of \$127,461, according to K.S.A. 12-1664, the City is not prohibited from financing the federal share of a local program from current funds if available.

## C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not have a designated "peak period". All deposits were legally secured at December 31, 2014.

At December 31, 2014, the City's carrying amount of deposits was \$4,164,733 and the bank balance was \$4,200,787. Of the bank balance, \$260,416 was covered by federal depository insurance, and \$3,940,371 was collateralized with securities held by the pledging financial institutions agents in the City's name.

## D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project commitments authorized</u>	<u>Cash disbursements and accounts payable to date</u>	<u>Remaining financial commitment</u>
Water Treatment Facility			
BRB Contractors	\$ 6,463,645	\$ 6,330,900	\$ 132,745
Kirkham & Michael	<u>943,692</u>	<u>917,827</u>	<u>25,865</u>
	<u>\$ 7,407,337</u>	<u>\$ 7,248,727</u>	<u>\$ 158,610</u>

## E. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2014, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Water treatment – 2012A issued December 18, 2012 in the amount of \$3,129,000 at interest rate of 2.75% maturing December 18, 2052	\$3,085,095	\$ -	\$ 45,112	\$3,039,983	\$ 84,840
Water treatment – 2012B issued December 18, 2012 in the amount of \$1,266,000 at interest rate of 2.75% maturing December 18, 2052	<u>1,248,236</u>	<u>-</u>	<u>18,252</u>	<u>1,229,984</u>	<u>34,326</u>
Total general obligation bonds	<u>4,333,331</u>	<u>-</u>	<u>63,364</u>	<u>4,269,967</u>	<u>119,166</u>
Revolving loans:					
KDHE sewer lagoon expansion issued March 1, 2004 at interest rate of 2.76% including a .25% service fee maturing March 1, 2021	376,606	-	47,976	328,630	10,066
KDOT street paving loan issued April 2, 2007 at interest rate of 3.60% including a .25% service fee maturing August 1, 2017	255,209	-	61,267	193,942	9,188
KDHE water treatment plant issued April 26, 2012 at interest rate of 3.50% including a .35% service fee maturing August 1, 2032	<u>150,000</u>	<u>2,500</u>	<u>32,574</u>	<u>119,926</u>	<u>5,201</u>
Total revolving loans	<u>781,815</u>	<u>2,500</u>	<u>141,817</u>	<u>642,498</u>	<u>24,455</u>

## E. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
2015 Freightline truck issued July 21, 2014 in the amount of \$85,691 at interest rate of 2.890% maturing July 21, 2019	\$ -	\$ 85,691	\$ 6,673	\$ 79,018	\$ 1,006
2009 Johnston MX-450 Street Sweeper issued February 2, 2009 in the amount of \$113,500 at interest rate of 3.25% maturing February 3, 2014	4,088	-	4,088	-	17
2010 International 7400 truck and refuse service body issued January 27, 2010 in the amount of \$139,575 at interest rate of 3.10% maturing January 27, 2015	32,127	-	29,617	2,510	585
Toro 5510 Fairway Mower issued July 1, 2013 in the amount of \$16,500 at interest rate of 2.95% maturing July 1, 2016	<u>13,853</u>	<u>-</u>	<u>5,418</u>	<u>8,435</u>	<u>381</u>
Total capital leases	<u>50,068</u>	<u>85,691</u>	<u>45,796</u>	<u>89,963</u>	<u>1,989</u>
Total contractual indebtedness	<u>\$5,165,214</u>	<u>\$ 88,191</u>	<u>\$ 250,977</u>	<u>\$5,002,428</u>	<u>\$ 145,610</u>

There will be additional drawdowns on the KDHE water treatment plant loan in future years.

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2015	\$ 65,107	\$ 117,425	\$ 182,532
2016	66,581	115,634	182,215
2017	68,729	113,802	182,531
2018	70,618	111,913	182,531
2019	72,560	109,971	182,531
2020-2024	393,251	518,836	912,087
2025-2029	450,729	461,680	912,409
2030-2034	516,233	396,206	912,439
2035-2039	591,256	321,215	912,471
2040-2044	677,076	235,322	912,398
2045-2049	775,646	136,946	912,592
2050-2052	<u>522,181</u>	<u>29,079</u>	<u>551,260</u>
Total	<u>\$ 4,269,967</u>	<u>\$ 2,668,029</u>	<u>\$ 6,937,996</u>

#### E. LONG-TERM DEBT (CONTINUED)

Current maturities of the revolving loans for the next five years and through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2015	\$ 173,808	\$ 19,363	\$ 193,171
2016	175,337	13,578	188,915
2017	116,799	8,284	125,083
2018	53,535	4,506	58,041
2019	55,023	3,018	58,041
2020-2024	<u>67,996</u>	<u>1,647</u>	<u>69,643</u>
Total	<u>\$ 642,498</u>	<u>\$ 50,396</u>	<u>\$ 692,894</u>

Current maturities of capital leases and interest for the next five years through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2015	\$ 24,453	\$ 2,285	\$ 26,738
2016	19,689	1,636	21,325
2017	17,333	1,096	18,429
2018	17,841	588	18,429
2019	<u>10,647</u>	<u>103</u>	<u>10,750</u>
Total	<u>\$ 89,963</u>	<u>\$ 5,708</u>	<u>\$ 95,671</u>

#### F. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Electric utility fund	General fund	K.S.A. 12-825d	\$ 100,000
General fund	Capital improvement fund	K.S.A. 19-120	80,667
Water utility fund	UIC abandonment reserve	K.S.A. 12-825d	<u>10,000</u>
Total operating transfers			<u>\$ 190,667</u>

## G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post employment benefits.* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Vacation leave* – Vacation leave is earned and credited according to a table in the employee handbook. Time is credited to the employee on a monthly basis, and begins at 80 hours per year for employees with 1 to 2 years employment, at 3 years it is increased to 88 hours, and eight hours is added each year thereafter until the maximum of 160 hours is earned after 12 years of employment. The vacation leave is credited in the month that it is earned, and is allowed to accumulate to 40 hours in excess of the amount earned in the year. Vacation is payable upon employee termination.

*Sick leave* – Full time employees earn eight hours of sick leave for each month of service. Sick leave is credited on the first payroll of the month. Sick leave may be accumulated up to ninety days, but unused sick leave is not paid upon resignation or termination. Any sick leave over ninety days will be converted to vacation days at a ratio of three days sick time to one day vacation time.

An employee who has accrued sick leave balance of more than 160 hours may request that the City Administrator transfer a specific amount of sick leave to another employee authorized to receive sick leave. In no event may the employee request a transfer of an amount of sick leave that would result in his or her own sick leave account to go below 160 hours. Sick leave shall be donated in eight hour increments.

*Section 125 plan* – The City offers a Section 125 flexible benefit plan for all eligible employees. It is used for health insurance premiums, other medical costs and dependent care expense. The plan is administered by an independent company. The City withholds the amounts from the employee's paycheck and remits the withholdings to the plan administrator.

*Section 457 deferred compensation plan* – The City offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The City does not contribute to the plan.

## H. DEFINED BENEFIT PENSION PLAN

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603), at the following website: [www.kpers.org](http://www.kpers.org) or by calling 1-888-275-5737.

## H. DEFINIED BENEFIT PENSION PLAN (CONTINUED)

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City's employer contributions to KPERS for the years ending December 31, 2014, 2013, and 2012 were \$72,305, \$72,101, and \$67,003, respectively, equal to the regulatory required contributions for each year as set forth by the legislature.

## I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## J. CONTINGENCIES

Starting in 2004 the City upgraded its wastewater facility. This project is funded by a State revolving loan of up to \$887,498 at 2.76% interest through the Kansas Department of Health and Environment. The project is complete except for issues with water quality standards for discharge. After consultation with the Kansas Department of Health and Environment, the loan will be left open until the issue is resolved in the event that additional expense is incurred.

In 2012 the City began construction on a reverse osmosis plant. This project was funded through USDA Rural Development grants and General Obligation bonds. Remaining expenditures will be financed by the Kansas Department of Health and Environment revolving loan.

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the City at December 31, 2014.

## K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 11, 2015, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

**REGULATORY–REQUIRED  
SUPPLEMENTARY INFORMATION**

## CITY OF LAKIN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 1,153,683	\$ -	\$ 1,153,683	\$ 889,339	\$ 264,344
Special purpose funds:					
Employee benefits	210,000	-	210,000	150,777	59,223
Special street and highway	57,830	-	57,830	57,830	-
Special parks and recreation	6,000	-	6,000	-	6,000
Industrial levy	14,500	-	14,500	-	14,500
Business funds:					
Electric utility	2,301,200	-	2,301,200	2,028,699	272,501
Water utility	975,031	-	975,031	615,758	359,273
Refuse collection	169,202	-	169,202	150,414	18,788
Sewage disposal	134,000	-	134,000	100,341	33,659
Total	<u>\$ 5,021,446</u>	<u>\$ -</u>	<u>\$ 5,021,446</u>	<u>\$ 3,993,158</u>	<u>\$ 1,028,288</u>

See Independent Auditor's Report.



# CITY OF LAKIN, KANSAS

## GENERAL FUND

### SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property tax	\$ 223,772	\$ 212,315	\$ 209,167	\$ 3,148
Delinquent tax	6,052	4,640	1,150	3,490
Vehicle tax	43,034	52,266	56,592	(4,326)
Shared revenue:				
Local alcoholic liquor	633	1,351	968	383
Local sales tax	204,878	192,423	170,000	22,423
State connecting link	7,699	7,704	7,683	21
County park and pool aid	5,000	2,000	5,000	(3,000)
County highway maintenance	75,000	75,000	75,000	-
Recreation commission - golf	10,000	20,000	10,000	10,000
Recreation commission - pool	74,000	148,000	74,000	74,000
Recreation commission - park	5,000	10,000	5,000	5,000
Licenses, fees, fines and permits:				
Franchise fees	31,222	31,706	28,000	3,706
Fines and penalties	6,957	5,953	4,000	1,953
Animal control	2,384	3,567	2,500	1,067
Golf course fees	15,670	15,610	11,000	4,610
Golf course membership fees	35,200	34,136	32,000	2,136
Other licenses, fees, and permits	10,915	7,471	7,000	471
Interest:				
Interest on idle funds	1,133	1,510	1,500	10
Other:				
Gas well receipts	51,418	55,189	50,000	5,189
Rentals	6,357	5,188	5,000	188
Golf cart storage	13,862	13,408	13,000	408
Swimming pool receipts	16,656	18,312	16,000	2,312
Miscellaneous	13,480	30,682	-	30,682
Transfer from:				
Electric utility fund	100,000	100,000	100,000	-
Total receipts	960,322	1,048,431	\$ 884,560	\$ 163,871

**CITY OF LAKIN, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Expenditures:				
General government:				
Administration:				
Personal services	\$ 55,920	\$ 82,358	\$ 90,000	\$ 7,642
Contractual services	26,525	38,539	40,000	1,461
Commodities	4,765	10,338	4,600	(5,738)
Capital outlay	(413)	1,206	5,000	3,794
	<u>86,797</u>	<u>132,441</u>	<u>139,600</u>	<u>7,159</u>
Planning commission:				
Contractual services	<u>30,449</u>	<u>27,187</u>	<u>30,000</u>	<u>2,813</u>
Housing authority	<u>3,156</u>	<u>3,256</u>	<u>3,500</u>	<u>244</u>
Gas well maintenance	<u>32,839</u>	<u>30,643</u>	<u>45,000</u>	<u>14,357</u>
Tort liability	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Highways and streets:				
Street department:				
Personal services	127,014	108,402	126,000	17,598
Contractual services	199,654	53,616	100,000	46,384
Commodities	49,245	39,404	63,000	23,596
Capital outlay	3,097	788	10,000	9,212
Debt service	45,628	24,407	27,000	2,593
Reimbursed expense	(108,468)	-	-	-
	<u>316,170</u>	<u>226,617</u>	<u>326,000</u>	<u>99,383</u>
Culture and recreation:				
Park department:				
Personal services	30,384	19,890	30,000	10,110
Contractual services	6,736	7,873	13,000	5,127
Commodities	16,387	14,073	20,000	5,927
Capital outlay	-	-	8,000	8,000
	<u>53,507</u>	<u>41,836</u>	<u>71,000</u>	<u>29,164</u>

**CITY OF LAKIN, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Swimming pool:				
Personal services	\$ 80,811	\$ 87,300	\$ 97,000	\$ 9,700
Contractual services	44,834	39,327	60,000	20,673
Commodities	29,511	28,888	29,000	112
Capital outlay	13,044	-	14,000	14,000
	<u>168,200</u>	<u>155,515</u>	<u>200,000</u>	<u>44,485</u>
Golf course:				
Personal services	84,888	65,229	85,000	19,771
Contractual services	46,710	54,847	52,000	(2,847)
Commodities	47,220	39,879	45,000	5,121
Capital outlay	3,000	-	11,000	11,000
Debt service	2,896	5,792	5,792	-
	<u>184,714</u>	<u>165,747</u>	<u>198,792</u>	<u>33,045</u>
Public safety:				
Fire department:				
Contractual services	400	655	-	(655)
Animal control:				
Personal services	28,015	29,776	30,000	224
Contractual services	3,903	4,609	4,500	(109)
Commodities	6,283	4,476	6,000	1,524
	<u>38,201</u>	<u>38,861</u>	<u>40,500</u>	<u>1,639</u>
Debt service:				
KDOT loan payment	9,800	-	12,624	12,624

**CITY OF LAKIN, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Transfer to:				
Capital improvement fund	-	80,667	80,667	-
Reimbursed expenditures	(13,396)	(14,086)	-	14,086
Total expenditures	910,837	889,339	<u>\$ 1,153,683</u>	<u>\$ 264,344</u>
Receipts over (under) expenditures	49,485	159,092		
Unencumbered cash, beginning of year	374,520	507,925	<u>\$ 269,123</u>	<u>\$ 238,802</u>
Residual equity transfer	83,920	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ 507,925</u>	<u>\$ 667,017</u>		

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property tax	\$ 99,294	\$ 133,853	\$ 131,869	\$ 1,984
Delinquent tax	4,398	2,793	510	2,283
Vehicle tax	32,781	26,303	25,112	1,191
Total receipts	136,473	162,949	\$ 157,491	\$ 5,458
Expenditures:				
General government:				
Personal services	180,228	150,493	\$ 210,000	\$ 59,507
Contractual services	347	284	-	(284)
Total expenditures	180,575	150,777	\$ 210,000	\$ 59,223
Receipts over (under) expenditures	(44,102)	12,172		
Unencumbered cash, beginning of year	93,469	49,367	\$ 52,509	\$ (3,142)
Unencumbered cash, end of year	\$ 49,367	\$ 61,539		

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## SPECIAL STREET AND HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance favorable (unfavorable)
	2013	Actual	Budget	
Receipts:				
Shared revenue	\$ 67,248	\$ 56,836	\$ 57,830	\$ (994)
Expenditures:				
Debt service payments:				
Principal	49,338	48,643	\$ 48,643	\$ -
Interest	11,317	9,187	9,187	-
Total expenditures	60,655	57,830	\$ 57,830	\$ -
Receipts over (under) expenditures	6,593	(994)		
Unencumbered cash, beginning of year	3,207	9,800	\$ -	\$ 9,800
Unencumbered cash, end of year	\$ 9,800	\$ 8,806		

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance favorable (unfavorable)
	2013	Actual	Budget	
Receipts:				
Shared revenue	\$ 633	\$ 1,351	\$ 968	\$ 383
Grant revenue	4,500	-	-	-
Total receipts	5,133	1,351	<u>\$ 968</u>	<u>\$ 383</u>
Expenditures:				
Culture and recreation:				
Capital outlay	3,595	-	6,000	6,000
Receipts over (under) expenditures	1,538	1,351		
Unencumbered cash, beginning of year	3,525	5,063	<u>\$ 5,225</u>	<u>\$ (162)</u>
Unencumbered cash, end of year	<u>\$ 5,063</u>	<u>\$ 6,414</u>	<u>\$ 193</u>	<u>\$ 6,221</u>

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## INDUSTRIAL LEVY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property tax	\$ 902	\$ 834	\$ 729	\$ 105
Delinquent tax	40	21	5	16
Vehicle tax	273	149	227	(78)
Total receipts	1,215	1,004	<u>\$ 961</u>	<u>\$ 43</u>
Expenditures:				
General government:				
Contractual services	-	-	<u>\$ 14,500</u>	<u>\$ 14,500</u>
Receipts over (under) expenditures	1,215	1,004		
Unencumbered cash, beginning of year	15,343	16,558	<u>\$ 13,539</u>	<u>\$ 3,019</u>
Unencumbered cash, end of year	<u>\$ 16,558</u>	<u>\$ 17,562</u>		

See Independent Auditor's Report.



## CITY OF LAKIN, KANSAS

## NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2014

	<u>Special equipment</u>	<u>Capital improvement</u>	<u>Total</u>
Receipts:			
Transfer from electric utility fund	\$ -	\$ 80,667	\$ 80,667
Expenditures			
Contractual services	-	-	-
Receipts over (under) expenditures	-	80,667	80,667
Unencumbered cash, beginning of year	<u>17,204</u>	<u>64,057</u>	<u>81,261</u>
Unencumbered cash, end of year	<u>\$ 17,204</u>	<u>\$ 144,724</u>	<u>\$ 161,928</u>

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 2,017,757	\$ 2,356,062	\$ 2,150,000	\$ 206,062
Interest	3,007	3,182	2,400	782
Total receipts	2,020,764	2,359,244	\$ 2,152,400	\$ 206,844
Expenditures:				
Administration:				
Personal services	119,698	107,984	\$ 125,000	\$ 17,016
Contractual services	8,589	7,703	12,400	4,697
Commodities	1,441	374	3,000	2,626
Capital outlay	-	1,206	5,000	3,794
Reimbursed expense	(6,538)	(3,770)	-	3,770
Distribution:				
Personal services	133,446	159,454	139,000	(20,454)
Contractual services	96,985	93,729	89,000	(4,729)
Commodities	50,894	73,201	96,800	23,599
Capital outlay	155,585	-	150,000	150,000
Reimbursed expense	(64,738)	(31,481)	-	31,481
Production:				
Personal services	121,457	79,512	110,000	30,488
Contractual services	1,394,603	1,437,581	1,291,000	(146,581)
Commodities	24,423	4,839	70,000	65,161
Capital outlay	10,000	-	10,000	10,000
Reimbursed expense	(1,737)	(1,633)	-	1,633
Transfer to:				
Capital improvement fund	20,000	-	100,000	100,000
General fund	100,000	100,000	100,000	-
Total expenditures	2,164,108	2,028,699	\$ 2,301,200	\$ 272,501
Receipts over (under) expenditures	(143,344)	330,545		
Unencumbered cash, beginning of year	1,088,977	945,633	\$ 940,177	\$ 5,456
Unencumbered cash, end of year	\$ 945,633	\$ 1,276,178	\$ 791,377	\$ 484,801

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 771,294	\$ 797,492	\$ 725,000	\$ 72,492
Interest	1,117	954	500	454
Total receipts	<u>772,411</u>	<u>798,446</u>	<u>\$ 725,500</u>	<u>\$ 72,946</u>
Expenditures:				
Administration:				
Personal services	74,277	85,382	\$ 85,000	\$ (382)
Contractual services	3,922	6,238	5,000	(1,238)
Commodities	943	789	1,500	711
Capital outlay	-	-	2,000	2,000
Reimbursements	(3,432)	(4,352)	-	4,352
Distribution:				
Personal services	122,325	115,485	145,000	29,515
Contractual services	342,554	371,081	384,000	12,919
Commodities	86,364	41,955	120,000	78,045
Capital outlay	16,940	-	10,000	10,000
Kansas water fee	(5,613)	-	-	-
Reimbursed expense	(9,280)	(231,125)	-	231,125
Transfer to:				
Water debt service fund	76,359	-	-	-
UIC Abandonment reserve fund	10,000	10,000	10,000	-
USDA water bond project fund	165,288	-	-	-
Debt service:				
USDA/KDHE Loans:				
Principal	-	95,938	93,364	(2,574)
Interest	-	124,367	119,167	(5,200)
Total expenditures	<u>880,647</u>	<u>615,758</u>	<u>\$ 975,031</u>	<u>\$ 359,273</u>
Receipts over (under) expenditures	(108,236)	182,688		
Unencumbered cash, beginning of year	<u>487,699</u>	<u>379,463</u>	<u>\$ 357,382</u>	<u>\$ 22,081</u>
Unencumbered cash, end of year	<u>\$ 379,463</u>	<u>\$ 562,151</u>	<u>\$ 107,851</u>	<u>\$ 454,300</u>

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## REFUSE COLLECTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance favorable (unfavorable)
	2013	Actual	Budget	
Receipts:				
Customer charges	\$ 129,984	\$ 133,640	\$ 130,000	\$ 3,640
Interest	249	246	200	46
Total receipts	130,233	133,886	\$ 130,200	\$ 3,686
Expenditures:				
Distribution:				
Personal services	57,028	57,411	\$ 60,000	\$ 2,589
Contractual services	10,748	19,178	17,000	(2,178)
Commodities	33,849	48,296	40,000	(8,296)
Capital outlay	-	-	12,000	12,000
Reimbursed expense	(4,269)	(4,673)	-	4,673
Debt service:				
Capital lease payments	30,202	30,202	30,202	-
Transfer to refuse collection reserve fund	10,000	-	10,000	10,000
Total expenditures	137,558	150,414	\$ 169,202	\$ 18,788
Receipts over (under) expenditures	(7,325)	(16,528)		
Unencumbered cash, beginning of year	113,842	106,517	\$ 78,340	\$ 28,177
Unencumbered cash, end of year	\$ 106,517	\$ 89,989	\$ 39,338	\$ 50,651

See Independent Auditor's Report.

## CITY OF LAKIN, KANSAS

## SEWAGE DISPOSAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 115,505	\$ 117,934	\$ 120,000	\$ (2,066)
Interest	589	648	400	248
Other	-	896	-	896
Total receipts	116,094	119,478	\$ 120,400	\$ (922)
Expenditures:				
Distribution:				
Personal services	75,800	74,208	\$ 73,000	\$ (1,208)
Contractual services	34,150	20,138	40,000	19,862
Commodities	8,538	5,995	15,000	9,005
Capital outlay	6,000	-	6,000	6,000
Reimbursed expense	(3,831)	-	-	-
Total expenditures	120,657	100,341	\$ 134,000	\$ 33,659
Receipts over (under) expenditures	(4,563)	19,137		
Unencumbered cash, beginning of year	115,915	111,352	\$ 105,315	\$ 6,037
Unencumbered cash, end of year	\$ 111,352	\$ 130,489	\$ 91,715	\$ 38,774

See Independent Auditor's Report.

# CITY OF LAKIN, KANSAS

## NON-BUDGETED BUSINESS FUNDS

### SCHEDULE OF RECEIPTS AND EXPENDITURES REGULATORY BASIS

For the Year Ended December 31, 2014

	Electric reserve	USDA water bond project	USDA water grant
Receipts:			
Interest	\$ -	\$ 125	\$ -
Surcharge	-	-	-
Bond and loan proceeds	-	-	72,644
Transfer from water utility fund	-	-	-
Total receipts	-	125	72,644
Expenditures:			
Contractual services	500,985	-	368,021
Debt service:			
Principal	-	-	-
Interest and commission	-	-	-
Total expenditures	500,985	-	368,021
Receipts over (under) expenditures	(500,985)	125	(295,377)
Unencumbered cash, beginning of year	1,000,000	-	167,916
Unencumbered cash, end of year	\$ 499,015	\$ 125	\$ (127,461)

See Independent Auditor's Report.

UIC abandonment reserve	Refuse collection reserve	Sewage disposal pump deposit reserve	Sewage disposal debt service	Total
\$ -	\$ -	\$ -	\$ -	\$ 125
-	-	-	79,223	79,223
-	-	-	-	72,644
10,000	-	-	-	10,000
10,000	-	-	79,223	161,992
-	-	-	-	869,006
-	-	-	47,976	47,976
-	-	-	10,066	10,066
-	-	-	58,042	927,048
10,000	-	-	21,181	(765,056)
10,000	72,330	24,000	285,032	1,559,278
\$ 20,000	\$ 72,330	\$ 24,000	\$ 306,213	\$ 794,222

## CITY OF LAKIN, KANSAS

LAKIN HOUSING AUTHORITY  
(A RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2014

	O'Loughlin	Westridge	Total
Receipts:			
Rental income	\$ 22,597	\$ 39,943	\$ 62,540
Rental assistance	17,769	53,576	71,345
Laundry income	642	930	1,572
Interest income	64	159	223
Interest subsidy	6,533	-	6,533
Miscellaneous	-	740	740
Total receipts	47,605	95,348	142,953
Expenditures:			
Repairs and maintenance	15,670	53,306	68,976
Payroll and payroll taxes	9,724	11,471	21,195
Management fees	416	1,366	1,782
Utilities	6,253	5,160	11,413
Insurance	13,585	19,246	32,831
Pest control	556	756	1,312
Supplies	566	4,092	4,658
Office Equipment	285	-	285
Dues and subscriptions	188	-	188
Advertising	230	323	553
Professional fees	-	686	686
Travel & entertainment	500	312	812
Tenant utility payments	477	-	477
Payment overage	1,524	-	1,524
Debt service payments:			
Principal	6,142	-	6,142
Interest expense	7,603	-	7,603
Miscellaneous	165	144	309
Total expenditures	63,884	96,862	160,746
Receipts over (under) expenditures	(16,279)	(1,514)	(17,793)
Unencumbered cash, beginning of year	65,246	117,295	182,541
Unencumbered cash, end of year	\$ 48,967	\$ 115,781	\$ 164,748

See Independent Auditor's Report.